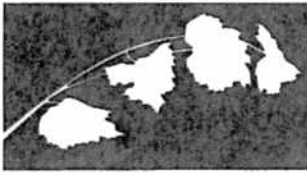


Established 1892



HOLLAND HOME
of Grand Rapids

September 20, 2006

Dear House Tax Policy Committee,

I am David Tiesenga, Chief Financial Officer with Holland Home. Holland Home is a nonprofit 501(c)(3) corporation founded in 1892. Holland Home is a member of the Michigan Association of Homes and Services to the Aging.

Holland Home is one of the largest nonprofit providers of services, care and housing to seniors in Michigan. Holland Home operates three senior living campuses in the West Michigan area.

Table 1 lists licensed and unlicensed capacities at Holland Home's three senior living campuses:

TABLE 1

Campus	Licensed Skilled Nursing Beds	Licensed Home for the Aged Beds	Unlicensed Independent Living Units	Total
Fulton Campus	82	236	0	318
Raybrook Campus	101	265	299	665
Breton Woods	58	0	301	359
Total	241	501	600	1342

Table 2 shows the percent of residents receiving charity care in Holland Home's licensed facilities for fiscal year ended December 31, 2005:

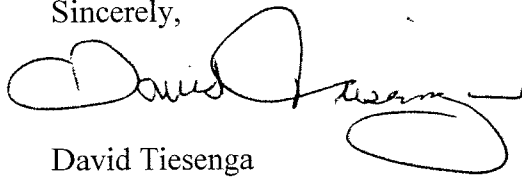
TABLE 2

Campus	Licensed Skilled Nursing	Licensed Home for the Aged	Total Licensed Facilities
Fulton Campus	71%	29%	42%
Raybrook Campus	54%	9%	21%
Breton Woods	57%	N/A	57%
Total	61%	18%	33%

- Holland Home licensed facilities have always been exempt from property taxes (for 113 years).
- The majority of Holland Home's charitable care is provided in its licensed facilities.
- Taxes assessed to Holland Home will be passed on to seniors who are living on a fixed income. In Holland Home's Home for the Aged facilities 18% already can not pay for the full cost of the housing and care that they receive.
- Holland Home estimates, based on taxable valuations assessed to its Home for the Aged facilities, that each resident who is able to pay would be charged \$800 to \$1,120 per year to cover the amount of property taxes. The average age of these residents is 86 years. This amount of tax will require Holland Home to raise more charitable dollars to offset the additional cost of these taxes.
- Holland Home residents who reside in unlicensed independent living units do pay property taxes and we fully expect them to continue paying taxes after House Bill No. 6209 is passed. Property taxes paid by Holland Home in 2005 for these unlicensed areas totaled \$1,178,209.
- The recent Michigan Supreme Court decision in *Wexford Medical Group vs. City of Cadillac*, SC Docket No. 127152 ruled in favor of the Wexford Medical Group. However, without law, court decisions are subject to interpretation and challenges.

Thank you for your consideration and support of House Bill No. 6209.

Sincerely,

A handwritten signature in black ink, appearing to read "David Tiesenga", with a large, stylized loop at the end.

David Tiesenga
Chief Financial Officer
Holland Home
2100 Raybrook St. SE – Suite 300
Grand Rapids, MI 49546



Imagine the Possibilities...



Fiscal Year 2004-05 Highlights for Michigan State Legislature

Hope Network is a 501(c)(3) nonprofit servicing over 9,000 consumers with disadvantages and disabilities in 26 counties in Michigan. Hope provides a continuum of services utilizing nearly 200 facilities at a cost to the State and local communities substantially below alternatives such as hospitals, State institutions and for-profit organizations to the extent they're available.

Most of Hope Network's buildings are 24/7 residential facilities for persons with a wide variety of disabilities and disadvantages. Programs include specialized residential, mental impairment and developmental disabled residential, crisis residential, respite, vocational, medical rehabilitation, case management, outpatient/clinical, personal social services and transportation. Hope also operates sheltered workshops, placing some 511 consumers in tax-paying competitive employment positions last fiscal year.

Because of its nonprofit status, Hope Network has historically been held tax exempt from local property taxes. Should that be terminated, the impact is conservatively estimated at \$1.6 million, annually, based on 50% of real property on a cost basis, versus the much higher taxable value that has not been determined at present. This would result in substantially higher rates, dramatically reduced services, or a combination of both. Hope Network's staff and consumers, combined, already contribute an estimated \$1.8 million in State income taxes each year. The burden of property taxes on Hope Network would be an enormous blow to the services and programs, as we know them today.

We urge the State Legislature to preserve the ground rules under which Hope Network operates by supporting the revenue-neutral Substitute HB No. 6209. Your consideration and support is much appreciated by Hope Network and the 9,000, plus consumers served each year. Thank you.

Assets and Revenues

Hope Network Assets:	\$87,589,024
Hope Network Revenues:	\$88,570,131

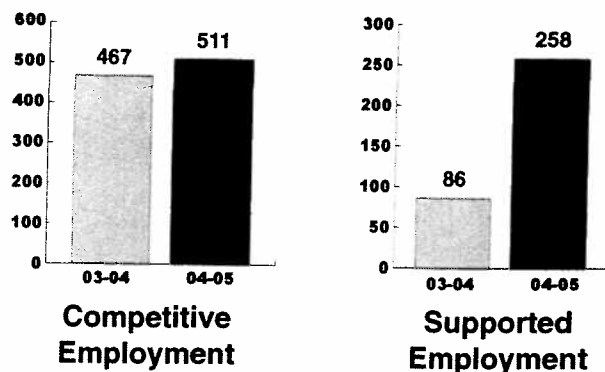
Revenue Stream

Community Mental Health:	\$55,087,000
Insurance:	14,062,000
HUD and MSHDA:	5,338,000
Transportation Services:	2,813,000
Hope Network Industries Production:	2,772,000
Grants:	2,228,000
Donations (primarily capital campaigns):	1,568,000
Dept. of Human Services:	1,131,000
Michigan Rehabilitation Services:	477,000
Medicaid:	130,000
Other:	2,964,000

Transportation Services

Miles Traveled (Kent County):	1,170,000
Statewide Miles travelled by Volunteer Driver Program:	450,000

Employment & Training Services



Total Consumer Wages:	\$1,363,595
Total Subcontract Revenues:	\$2,771,566

(over)

Hope Network Staff

Number of Staff Statewide:	2,013
Number of Staff Reported Under Affirmative Action:	1,555 (77.3%)

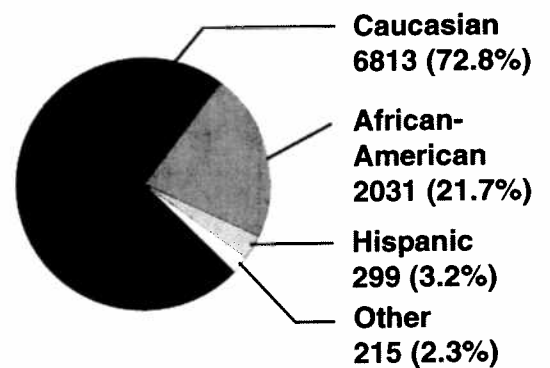
Persons Served by Disability Type

Mental Illness:	4127 (44.1%)
Developmental Disability:	2461 (26.3%)
Disadvantaged:	1086 (11.6%)
Acquired Brain Injury:	674 (7.2%)
Physical Disability:	459 (4.9%)
Corrections/Ex-Offender:	431 (4.6%)
Substance Abuse:	19 (.2%)
Other:	103 (1.1%)
TOTAL NUMBER OF PEOPLE SERVED:	9,359

Persons Served by Age

0-6:	1394 (14.9%)
7-17:	1891 (20.2%)
18-25:	805 (8.6%)
26-65:	2293 (24.5%)
Over 65:	2957 (31.6%)

Consumer Diversity



Consumers by Program Distribution

Vocational:	2957 (31.6%)
Residential:	2293 (24.5%)
Outpatient/Clinical:	1891 (20.2%)
Case Management:	1394 (14.9%)
Personal Social Services:	805 (8.6%)

